

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 7149**

**BILL NUMBER:** SB 475

**DATE PREPARED:** Feb 26, 2001

**BILL AMENDED:** Feb 22, 2001

**SUBJECT:** Unclaimed Property.

**FISCAL ANALYST:** John Parkey

**PHONE NUMBER:** 232-9854

**FUNDS AFFECTED:**     **GENERAL**  
                          **X DEDICATED**  
                          **FEDERAL**

**IMPACT:** State

**Summary of Legislation:** (Amended) This bill provides that the unclaimed property law does not apply to a business credit memorandum or a credit balance resulting from a business to business credit memorandum.

**Effective Date:** July 1, 2001.

**Explanation of State Expenditures:**

**Explanation of State Revenues:** (Revised) The bill will decrease state revenue in so far as it excludes business credit memorandums and certain business credit balances from the unclaimed property law. (*The note will updated, pending the results of a query of unclaimed property records.*)

Intangible property held by businesses or financial institutions is presumed abandoned seven years after the last owner contact and is subsequently remitted to the Office of the Attorney General. All funds received are placed in the *Abandoned Property Fund*. A claimant can recover the value of the property for up to 25 years. Whenever the balance of the principal of the Fund exceeds \$500,000, the excess is transferred to the *Common School Fund*. Each year, the interest balance in the *Abandoned Property Fund* is transferred to the *State General Fund*. At the end of FY 2000, the balance of the *Abandoned Property Fund* was \$28.1 M. Any interest *earned* on unclaimed property is deposited into the *General Fund*. In FY 2000, approximately \$18.0 M in unclaimed property was collected and \$2.6 M was paid out.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Attorney General's Office.

**Local Agencies Affected:**

**Information Sources:** Veronica Hibbler, Attorney General's Office, 232-6348.